Department of LABOR AND INDUSTRIES

Published by
Health Services Analysis Section
Olympia, WA 98504-4322

PROVIDER Update

PU 02-03

Topic **Page**

Work History Documentation Requirements for Ability to Work Assessment

The department's intent in requesting a complete work history for the Ability to Work Assessment report is for the VRC to provide complete information that will allow for effective determinations regarding the vocational aspects of a claim.

Elements of work history include, but are not limited to:

- Jobs performed
- Length of each job by calendar dates
- Skills demonstrated and obtained
- Work pattern
- Gaps in work history
- Equipment used, etc.

A complete work history is necessary for effective claim adjudication. The following examples illustrate the value of obtaining a complete work history:

- Determining employability based on skills gained from applicable jobs performed.
- Determining an injured workers ability to benefit from vocational services.
- A review of an injured worker's complete work history can reveal important information that may have a bearing on services, such as work patterns, gaps in employment, etc.

The VRC should make a reasonable effort to obtain this information directly from the injured worker, employer or previous employers, or other readily available sources. Standard job descriptions, such as those obtained from the Dictionary of Occupational titles, should only be used as a supplement to the information sources listed above, or when no other information source is available. Complete work

history information is needed for the department to make an objective determination regarding an injured worker's employability and/or ability to benefit from vocational services.

There is no set period of time as to which jobs performed in the past may have applicability to an injured worker's current employability. The department expects vocational providers to use professional judgment, and to provide objective rationale, regarding the applicability of any previous work experience.

Communicating Claim Rate Information to Employers

Vocational providers are expected to inform the employer of injury that re-hiring their injured worker may have a positive impact on their worker's compensation rates. However, it is important that vocational providers share *accurate* information on this topic, because injury claims do not affect an employer's claim rates indefinitely. Employer experience ratings for three of the last four fiscal years are used to determine their worker' compensation rates. Informing an employer of record that providing RTW for an injured worker will reduce their workers' compensation rate is not accurate for a claim that is over five years old. The following is a five-year synopsis of employer rating/experience period correlations.

Employer rating year	Affected by DOI claims within the 3-year EXPERIENCE PERIOD	
2003	July 1, 1998-June 30, 2001	Fiscal 1999, 2000, 2001
2004	July 1, 1999-June 30, 2002	Fiscal 2000, 2001, 2002
2005	July 1, 2000-June 30, 2003	Fiscal 2001, 2002, 2003
2006	July 1, 2001-June 30, 2004	Fiscal 2002, 2003, 2004
2007	July 1, 2002-June 30, 2005	Fiscal 2003, 2004, 2005

For additional information on this topic, please refer to Employers Guide to Industrial Insurance at www.lni.wa.gov/ipub/101-002-000.

Vocational Provider Regulation

The department is obligated to monitor the services provided to injured workers, to ensure compliance with statute, rules, department policies, and accepted standards of service. The implementation of WAC 296-19A (the rules governing the provision of vocational services) has brought about changes that impact every vocational provider. Private Sector Rehabilitation Services (PSRS), a work unit within the department, is responsible for the regulation of vocational providers.

The following information is meant to educate vocational providers about the vocational provider regulation (audit) processes used by the department. Please note that additional information about provider regulation can be found at the department's vocational web site and by reviewing applicable statute, rules and department policy, including but not limited to:

- RCW 51.32.095
- Medical Aid Rules and Fee Schedule
- Chapter 296-19A Washington Administrative Code (WAC)
- Provider Bulletins and Provider Updates written for vocational providers

Q. Who does the department audit?
A. The department may audit any vocational provider who provides vocational services to an injured worker, and/or who bills the department for vocational services provided to injured workers. This includes:

- The VRC assigned to a referral;
- Any VRC or intern who provides services on a referral (whether assigned to the referral or not)
- A VRC supervisor
- The firm (payee provider) that requests payment (bills the department) for the services.

Providers of vocational services to workers covered under self-insurance are also subject to audit by the department.

Q. How does the department select whom to audit?
A. The department may audit for cause or at random. Following are some examples of tools that the department may utilize in determining which entity(s) to audit:

- Complaints about a provider
- Referral volume
- Analysis of billing
- Referral outcomes
- Referral duration

Q. What is a vocational audit?
A. An audit is a review of services provided, and/or payments requested and paid, in regard to the provision of vocational services to Washington injured workers. When conducting an audit, Department auditors may:

- Conduct a desk audit. In this case, the provider will be required to submit a complete copy of the file(s) to be reviewed along with any associated billing information.
- Conduct an audit at the provider's office. In this case, the provider will be required to provide the complete original file(s) for the auditor's review. The provider may be required to provide copies of some or all of the file(s) also along with any associated billing information
- Use other sources of information, including but not limited to the department's LINIIS and MIPS computer systems

Q. Are there different kinds of vocational audits?
A. Audits can vary according to which entity(s) are audited, the issues examined, the number of cases examined, and the period of time covered by the audit.
Examples:

- Provider audit – the department audits specific cases that are assigned to a particular VRC. A sample of that individual's caseload is examined.
- Branch audit – the same as the first example, only the work of more than one VRC assigned to specific cases at a branch is examined.
- Firm audit – A firm audit may involve sampling the work of multiple VRCs, and/or examine specific issues related to billing for services at a firm level.
- Facilities audit – an on-site audit to determine if the provider's facilities meet the requirements established in WAC 296-19A-210(6).
- Provider self-audit – The department may require a provider do a self-audit in regard to some or all of that provider's referrals, covering a specific period of time. Provider self-audits typically

begin with a department finding and/or an acknowledgement by the provider that services that were provided and/or billed for were not in compliance with statutes, rules or policies.

Q. What happens if I get audited?

A. A series of steps occurs within the context of an audit:

- The department auditor, via a certified letter, notifies a provider of an audit: Notice of Intent to Audit. The provider will be asked to provide the department with copies of all case records for specific referrals, for a specific period of time.
- The auditor examines the records, and any other information relative to the referrals (see examples above) and determines whether the services were performed and/or billed in compliance with statute, rules, department policies and/or accepted standards of service. A report is developed. The report may identify findings – a violation of statute, rules, and/or policy and accepted standards of service. Findings are accompanied by the appropriate reference to the finding in WAC, statute, and/or policy. The department may order corrective actions – an order by the department to the provider(s) in conjunction with a finding. The report is sent to the provider. The report is accompanied by an Order and Notice – a legal notification from the department that identifies any findings and/or corrective actions, and informs the provider of their rights to reconsideration and/or appeal.
- After receiving the report the provider(s) against whom there are finding(s) may request (within specific timelines) reconsideration of the finding(s) and/or corrective action(s). The provider must provide information for the department to consider in conducting the reconsideration.
- Upon receiving a request for reconsideration, the auditor will place the audit Order and Notice into abeyance. After completing the reconsideration, a final audit report will be developed. The final audit report <u>may</u> contain modifications to the findings and/or corrective actions, based on evidence presented by the provider. The final audit report and accompanying Order and Notice is then sent to the provider(s).
- After receiving the final audit report and Order and Notice, the provider(s) may still appeal the audit findings to the Board of Industrial Insurance Appeals. If the audit is not appealed, then it becomes final after the period of time established in the final Order and Notice. It is the responsibility of the provider(s) at that time to comply with any corrective actions established in the final Order and Notice.

Q. What is a finding?

A. An audit finding is the identification of a specific violation(s) of statute, rule, or department policy. WAC 296-19A-270(1) contains a list of potential findings, and states that the department may take corrective action(s) when one or more findings are established. Section (2) of this WAC states that the department can take corrective action(s) for other violations of RCW, WAC, or written department policy not specifically mentioned above (in section 1). Example: A vocational provider who falsely reports in a progress report that an injured worker is actively involved in a retraining program, when in fact the vocational provider is aware that the program has terminated, may be in violation of WAC 296-19A-270(h): submission of a false or misleading report or document as part of delivering vocational rehabilitation services.

Q. What is a corrective action?
A. A complete list of corrective actions can be found in WAC 296-19A-260. Following are some examples:

- Recoupment of payments made to the provider, plus interest. Example: Recoupment of some or all of the charges paid for services billed will be made if the audit results in a finding that unsubstantiated charges were submitted. Recoupment is always made from the provider to whom the payments were made (i.e., payee provider).
- Assessment of penalties. Example: A penalty may be assessed against the VRC assigned to a referral, for a finding that the VRC billed excessive charges for a particular service or group of services.
- Education. Example: the department may require that a provider take training in ethics training pertaining to counselors, for a finding of violation of claimant confidentiality.

Q. Who has the primary responsibility for the services performed on a referral?
A. The VRC assigned to a referral has the primary responsibility for the services performed on that referral. The department will direct all correspondence associated with a performance audit to that VRC.

Vocational Provider Responsibilities – Voc Link Connect

This article is meant to remind vocational providers of their responsibilities in regard to maintaining access to the department's remote access system for transmitting vocational referrals. This system is commonly known as Voc Link Connect, an external interface with the department's LINIIS computer system.

Use of Voc Link Connect

- Vocational providers access new referral information by utilizing Voc Link Connect. Providers notify the department of referral assignment using Voc Link Connect.
- Vocational providers use Voc Link Connect to gather and update important information about the claim. This is accomplished by accessing various information screens on the department's LINIIS computer system, via Voc Link Connect.
- Vocational providers use Voc Link Connect to enter an outcome recommendation at the conclusion of their work on a referral.
- Using LINIIS, department claim managers finish the process by reviewing the vocational provider's outcome recommendation, and determining whether to enter an outcome, thus ending the referral.
- Failure of a vocational provider to maintain system access can cause significant problems in the referral and vocational services process, and is in violation of the rules.

Vocational provider responsibilities
WAC 296-19A-210(6)(e) states: In order to receive referrals made by the department, providers must maintain or have access to equipment that can utilize the department's remote access system for transmitting vocational referrals.

Responsibilities regarding this access include:

- Every vocational provider who wishes to be assigned to a referral must maintain access to the department's computer systems via the Voc Link Connect process.

- The vocational provider is responsible for following the necessary steps to gain and maintain access. The relationship between a vocational provider and the Digital Services Trust Corporation (DST, issuer of key fobs) is independent of the department.
- Vocational providers must maintain continuous access. Any issues having to do with lack of access that are not due to department computer system problems are the responsibility of the vocational provider.
- Vocational providers must notify the department Enrollment Coordinator if they have lost access to the department's computer systems, (for example – an expired key fob).
- Vocational providers **must not** request that the Enrollment Coordinator, or any other department staff, enter vocational recommendations on their behalf. There are two exceptions to this requirement:
    - If the department computer systems are not working for a minimum of 72 hours (discussed below).
    - Clarification for CACO purposes, of recommendations made prior to July 1, 2002 as illustrated in the June 5, 2002 memorandum sent to all vocational providers (see relevant excerpt below).
- If a vocational provider does not have access to the department's computer systems, and if their referral is ready for closure, the vocational provider must notify the claim manager via telephone and/or fax, of the *closing recommendation*. The claim manager will determine whether to enter an *outcome*, ending the referral. This notification by the provider must be followed immediately with submission of the referral closing report.
- Vocational providers are expected to contact the claim manager when a referral is ready to close and they cannot access the voc link connect system. Vocational providers may leave a voice message with the claim manager. They must let the claim manager know that a closing report is being submitted, but that the claim manager may not see the vocational recommendation on VOCU because of VRC system access issues.

Department Responsibilities

Private Sector Rehabilitation Services (PSRS)

- Assigns and sends logon Ids for new providers to LINIIS Security and Enrollment Coordinator
- Provider number and provider registration issues
- Maintains Voc Link Connect On Line Manual
- Refer questions about other issues to the appropriate area
- Investigate provider access issues that appear to be violations of WAC

Enrollment Coordinators Desk

- DST assistance/questions
- Transact Washington assistance/questions
- Logons to TPX – assign/provide assistance/respond to questions
- Notify PSRS of certificate expiration issues when these issues become evident:
    - ✓ Customer name and date of contact
    - ✓ Date expired
    - ✓ Date renewed
- Notify other agency areas (areas are listed in this agreement) when Internet, DIS, and/or LINIIS is down and when it comes back up.
- Refer questions about other issues to the appropriate area

- The Enrollment Coordinators will ask a vocational provider to contact the CM only when the vocational provider indicates that they cannot enter a vocational recommendation because of an access problem.
- The Enrollment Coordinator will refer vocational providers to the June 5, 2002 PAD memorandum regarding "adjustments" (i.e., backdating) of vocational recommendations.

Claims Administration

- Documents (for RLOG) communication from vocational provider regarding referral closure recommendation, and provider's lack of systems access and decides whether to enter a CM outcome on the referral

Program Analysis and Development (PAD)

- Reviews requests for adjustments to recommendation dates made by vocational providers (per June 5, 2002 PAD memorandum)
- Refers requests that meet criteria of June 5 memo to ISTS for adjustments.

Question and Answer

Q. Why is the department concerned about my maintaining access to LINIIS?

A. Vocational providers who are assigned to State Fund referrals are required by rule to maintain access to LINIIS in order to facilitate the referral assignment process, to periodically review LINIIS to update referral and claim information, and to enter an outcome recommendation when the referral is completed. Failure to maintain access (and thus inability to accomplish the activities noted) could have serious implications for effective claim adjudication, time loss duration, and the provider's CACO score, among other things.

Q. My key fob does not work, and I cannot access LINIIS. What should I do?

A. Contact the enrollment Coordinators Desk. They will tell you whether this is a systems problem, or a problem on your end. They may be able to walk you through correcting a problem on your end. If it is not a department systems problem, and if you still cannot gain access, then you must contact DST to determine why your key fob will not work. If you have a vocational recommendation to report, i.e., if your work on the referral is concluded, then follow the process outlined earlier in the article, under VRC Responsibilities.

Q. Can I let someone else use my key fob to enter a vocational outcome on my referral?

A. No. Your agreement with DST contains specific security and confidentiality provisions that include the fact that you will not let anyone else have access to your key fob. In addition, the vocational rules contain specific provisions in regard to a provider's responsibility to not disclose confidential information to a person who is not entitled to it. The VRC assigned to a referral is the only person who should utilize that VRCs key fob to accomplish Voc Link related activities.

Q. I work for Firm A. I plan to begin working for Firm B, while maintaining my relationship with Firm A. Is there anything I need to know, regarding Voc Link Connect?

A. Yes. When you submit a Vocational Provider Application (to establish your relationship with firm B) PSRS will assign you a service provider number and a logon ID that is particular to firm B. You will utilize both logon Ids, depending on which firm the referrals are associated with. Also, you will not show up on LINIIS claim manager referral screens in conjunction with firm B, until you have completed the process of logging on through Transact Washington and LINIIS, with your new logon ID.

Q. My key fob seems to be working, but I cannot gain access to the department's LINIIS system (or, Transact Washington). What should I do?

A. As in the second example, begin by contacting the Enrollment Coordinator's Desk. They will confirm whether or not there is a problem with the department's computer systems. If this is the case, and if systems are inoperable for more than 72 hours, the department will notify all vocational providers via direct mail and/or the department's vocational services web site, as to how referral outcomes during the outage period will be resolved. If you have a vocational recommendation to report, i.e., if your work on the referral is concluded, then follow the process outlined earlier in the article, under VRC Responsibilities.

References

- WAC 296-19A-210(6) (requirement that vocational providers maintain access to department's systems)
- June 5, 2002 PAD memorandum page 6 – see text of relevant section, below (sent to all vocational providers)
- Vocational Provider Application (requires timely notification of department of change in status)
- Other sections of statute, rule and department policy may apply also

Department Policy regarding Review and Adjustment of Recommendation or Completion Dates (per excerpt from 6-5-02 PAD memorandum sent to all vocational providers):

For Recommendations Made On or After July 1, 2002:
The department will neither review nor adjust recommendation dates for performance rating purposes for recommendations made via any medium July 1, 2002 or later. Providers are expected to correctly submit on-line recommendations on VocLink Connect.

For Recommendations Made Before July 1, 2002:
As of July 1, 2002, the department will only consider referral duration review requests when the disputed duration differential is more than 30 calendar days.

Additional information regarding Voc Link connect, and the department's on-line Voc Link Connect Manual, can be found at the department's vocational services web site:
http://www.lni.wa.gov/hsa/voc/default.htm

Authorization of 0388R-0393R

Providers are reminded that, by department rule and policy, all vocational services must be pre-authorized by the claim manager. This is especially important to remember in cases where ancillary services, such as a work evaluation or job modification consultation, are being conducted by a third party.

Vocational providers must obtain authorization from the claim manager in advance of performing any services reimbursable by codes 0388R through 0393R. Failure to obtain the necessary pre-authorization may result in the department denying payment for those services delivered prior to the authorization.

For a complete listing of vocational codes, and other billing requirements, please consult Provider Bulletin 01-03 and the department's Miscellaneous Services Billing Instructions.

http://www.lni.wa.gov/hsa/ProvBulletins/pb-pdf/pb_01-03.pdf
http://www.lni.wa.gov/hsa/pdf-files/MasterBI.PDF

Work Evaluation Fee Cap

When utilizing a third party for work evaluation services, it is essential that sufficient dollars are available for payment of those services. Recall that, as of June 1, 2001, the department established a fee cap for work evaluation services (of $1,140), which applies across all referral types, as well as caps for most other referral types. Please consult Provider Bulletin 01-03 or the L&I Miscellaneous Services Billing Instructions for more information on the vocational fee caps.

As an example, if a provider expends $700 in work evaluation costs on Referral A, then only $440 remains for other work evaluation activities on Referral B. If more than $440 is billed on Referral B, then the third party provider will not receive the full amount of payment. Similarly, if a provider spends more than the amount allowed under the cap for work evaluation in a single referral, then no other funds exist for future testing.

Reminders:
Providers are reminded that:

- It is the **assigned vocational provider's responsibility to monitor all costs** associated with the vocational referral. This includes amounts expended by other providers on ancillary services.
- The billing codes that accrue to the work evaluation fee cap are 0821V and 0390R, both of which also became effective on June 1, 2001.
- As stated in L&I Provider Bulletin 01-03, any costs for work evaluation, with dates of service prior to June 1, 2001, do not count against the fee cap.
- All work evaluation costs billed during the course of a referral accrue to the assigned provider's vocational performance rating. This may include services provided by a physical therapist or occupational therapist and billed under 0390R in the context of a vocational referral.

In situations where there is no other means to ascertain whether work evaluation funds have been previously expended, contact the L&I Provider Hotline (1-800-848-0811). Hotline staff can determine if any funds have been expended for work evaluation.

http://www.lni.wa.gov/hsa/ProvBulletins/pb-pdf/pb_01-03.pdf
http://www.lni.wa.gov/hsa/pdf-files/MasterBI.PDF

Referrals That Reach Fee Caps

On June 1, 2001, the department established fee caps for many vocational services. As detailed in Provider Bulletin 01-03, the caps are firm; there are no allowances for payment beyond the cap. The department has received inquiries from providers as to what the implications for this are in terms of billing, closure, and completing the documentation required by Chapter 296-19A WAC.

Below are some considerations and tips for referrals and fee caps:

1. Recall that it is the vocational provider's responsibility to track the costs associated with their referrals, in order to avoid "getting surprised" by a fee cap.
2. In the event that a fee cap is reached, vocational providers are NOT required to continue to provide services over and above the fee cap without payment. However, providers are obligated, when they realize that a fee cap has been reached, to notify the CM of the situation.
3. Providers **must** comply with all requirements in WAC with regard to closing referrals, including submitting a closing report, even if the claim manager has closed the referral.
4. Once the fee cap has been reached, the claim manager must act on the claim and the referral must be closed. When the claim manager is notified that a referral has reached the fee cap, the appropriate outcome code for referral closure is ADM7 (Fee Cap Reached).
5. **It is NOT appropriate to approach or contact a claim manager and ask him or her to close the referral in order to avoid a fee cap.**
6. It is inappropriate for the vocational provider to recommend closure on a referral because he or she does not wish to reach the fee cap. Providers are expected to continue to deliver services as needed on the referral, and required by WAC, up to the cap. That is, there is no recommended outcome for "about to hit fee cap." The use of any other outcome under these circumstances would be a misrepresentation.
7. After closing a referral due to reaching a fee cap, it is NOT appropriate to suggest in any way that a claim manager make a subsequent referral back to the same vocational counselor.

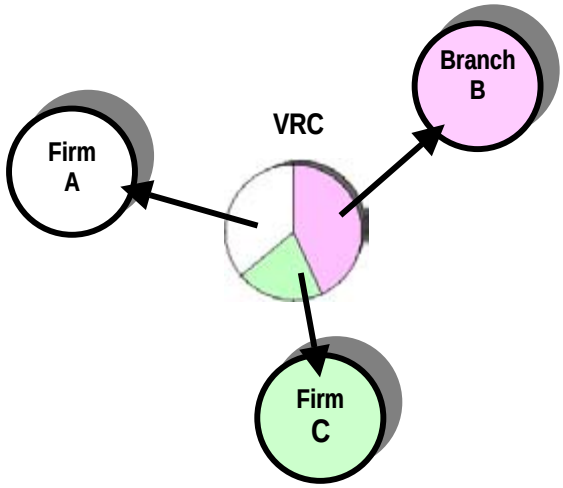
Vocational providers, as part of their work planning on each referral, should carefully budget resources to ensure that they fulfill all the requirements in WAC, including submission of the closing report.

Complexity-Adjusted Cost/Outcome (CACO) Aggregation

The department's Provider Bulletin 01-04 (http://www.lni.wa.gov/hsa/ProvBulletins/pb-pdf/pb_01-04.pdf) provides a detailed explanation of its vocational provider performance measurement process, including how the CACO formula is used to calculate performance ratings. The PB also includes definitions for many important terms. This update further clarifies the concept of aggregating referral CACO scores to the individual provider and branch levels.

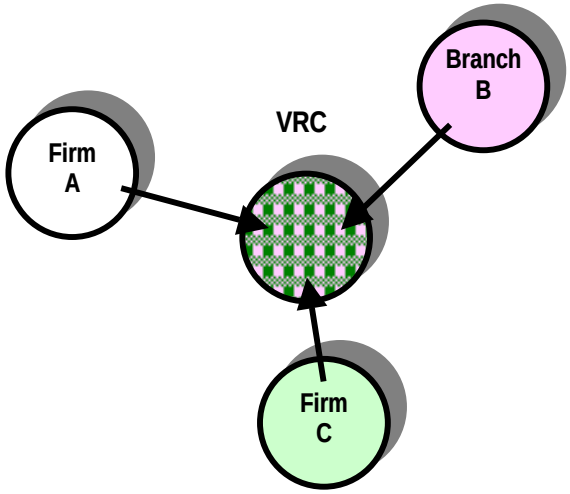
The "building block" for the performance ratings is the CACO score for an individual referral. Prior to the changes implemented in June 2001, there were no individual provider ratings; instead, all referral CACOs were counted and averaged for each branch of each firm. If a counselor worked for more than one firm or branch, then the CACOs were split out according to which branch or firm the referral was assigned. See Figure 1—the VRC's workload, represented by the pie chart, is allocated to three different entities, Firm A, Branch B, and Firm C.

Figure 1.



Beginning with the July 2002 performance report, each referral CACO, for all referrals made AFTER June 1, 2001, also aggregated to the assigned VRC. The aggregation process for VRC CACO scores is independent of service location; that is, the VRC CACO represents all work done in all service locations. See Figure 2—by combining the work done for Firm A, Branch B, and Firm C, we derive a complete picture of the counselor's work—the individual provider CACO.

Figure 2.



Beginning with its April 2003 report[1], the department will also aggregate branch CACO scores. This means that, for all branches of all vocational firms, the CACO score is the average of all the referrals assigned to all of the counselors associated with the branch. However, recall from Figure 2 above that a counselor's work may come from multiple branches or even multiple firms. So, the branch CACO, in a sense, represents the sum total of all the work assigned to all of the counselors in that branch.

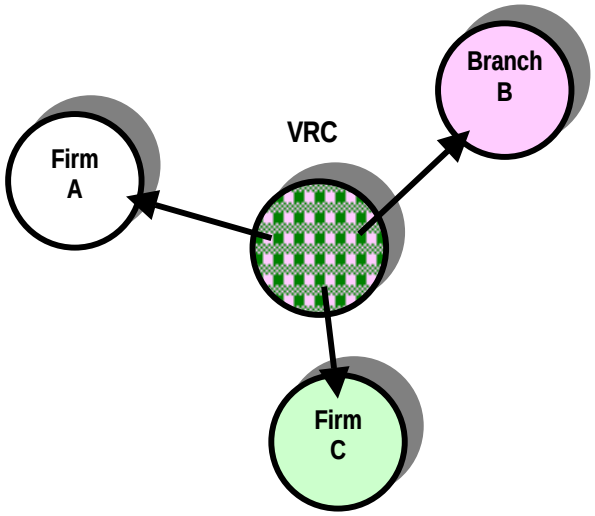
[1] NOTE: The department's original intent was to begin aggregation of branch CACO scores with the January 2003 performance report. In addition, the department planned to provide a preview of the report to vocational providers in October 2002. Due to a major agency process improvement initiative, computer-programming resources were not available to complete the necessary program changes to the performance reports as planned.

In order to allow the promised preview, the department has elected to begin aggregation three months later, with the April 2003 report. A preview report will instead be issued in January 2003, three months after the originally scheduled preview.

See Figure 3 —the VRC's work comes from three entities, Firm A, Branch B, and Firm C. As an example, the VRC had 5 closed referrals from Firm A, 3 from Branch B, and 7 from Firm C, for a total of 15. Consequently, the total of 15 referral CACO scores count toward the branch CACOs for each of three entities.

The reason for this is the department's increased emphasis on the individual vocational counselor. In the example, the 15 closed referrals represents the full body of work of the counselor, and gives a more complete assessment of the provider, rather than inferring conclusions separately from the 5 referrals in Firm A, or the 3 referrals in Branch B, and so on.

Figure 3.



In cases where firms or branches had performance ratings prior to June 1, 2001, a portion of their CACO scores is made up of referrals assigned only to vocational firms. Recall that, under the previous system, referrals could only be made to vocational firms or branches. This portion is combined with the CACO scores of referrals made after June 1. As the CACO sample period moves forward, the pre-June 2001 portion is gradually dwindling and a greater portion of the branch CACO score of post-June 2001 closures.

Remember that CACO scores are based on CLOSED vocational referrals, so referrals made prior to June 1, 2001 may continue to be part of providers ratings, depending on when the referrals close. Also, since vocational counselors have only been able to receive referrals directly since June 1, 2001, individual counselor CACO scores are made up only of referrals made and closed after that date.

Notes:

- If a VRC is listed as available to receive referrals in multiple service locations, the VRC will be expected to accept and work referrals in those locations.
- If a VRC leaves a branch, the referral CACOs for referrals assigned to that VRC will not aggregate to the branch, **provided that the department receives notification sufficiently prior to publishing the next report**. It is critical that the VRC and vocational manager notify the department immediately when a VRC's referral availability status changes.